

Message Text

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ACTION SS-25

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C O N F I D E N T I A L BEIRUT 0278

EXDIS

E.O. 11652: GDS
TAGS: LE BTIO
SUBJ: RETURN OF AMERICAN BUSINESS TO BEIRUT: CONVERSATION
WITH PRESIDENT SARKIS

1. DURING OUR JANUARY 14 CONVERSATION PRESIDENT SARKIS SAID HE WAS CONFIDENT LEBANESE ECONOMY WAS RIGHTING ITSELF, BUT QUESTION OF POLITICAL CONFIDENCE REMAINED. IN THIS RESPECT, LEBANESE WERE MUCH INFLUENCED BY WHAT AMERICANS DID. THEY FOUND FACT EMBASSY NOT BACK TO NORMAL SIZE AND THAT OFFICIAL FAMILIES AND AMERICAN BUSINESSMEN NOT RETURNING DISTURBING. PEOPLE ASSUMED WE KNEW SOMETHING THEY DID NOT AND THAT WE EXPECTED RESUMPTION OF FIGHTING.

2. I SAID EMBASSY FAMILIES WERE PERMITTED TO COME TO BEIRUT BUT THERE WAS A NATURAL LAG DUE TO OUR ASSIGNMENT POLICIES IN 1976 AND MUCH OF 1977, WHEN WE HAD LARGELY SENT TO BEIRUT SINGLE PERSONNEL OR THOSE WHO FOR ONE REASON OR ANOTHER WISHED TO LEAVE THEIR FAMILIES IN THE UNITED STATES. IT WAS ALSO TRUE, HOWEVER, THAT THE EMBASSY WAS WELL BELOW ITS PREVIOUS STRENGTH AND I HOPED TO KEEP IT THAT WAY, FOR TWO REASONS. THE FIRST WAS THAT IT WAS SERIOUSLY BLOATED BEFORE THE EVENTS AND I HOPED IT NEVER WENT BACK TO THAT SIZE. THE SECOND WAS THAT THERE WAS, FRANKLY, A SECURITY PROBLEM. IN THE MEANTIME, THE EMBASSY WAS PERFORMING ALL NORMAL SERVICES AND WE HAD ONE OF THE LARGEST EMBASSY STAFFS IN BEIRUT.
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3. AS FOR BUSINESSMEN, THERE WERE TWO REASONS WHY THEY DID NOT COME BACK. THE FIRST WAS THAT SERVICES WERE NOT BACK TO NORMAL. TELEPHONE AND TELEX IN PARTICULAR WERE PROBLEMS. THE PRESIDENT SAID HE UNDERSTOOD INTERNATIONAL TELEPHONE SERVICE WAS BACK TO NORMAL, I SAID I HAD TALKED JUST THE PREVIOUS WEEK TO A BUSINESSMAN WHO HAD COMPLAINED LOUDLY ABOUT IT. THE SECOND REASON WAS

PSYCHOLOGICAL. WE WERE NEITHER ENCOURAGING OR DISCOURAGING BUSINESSMEN, BUT LEAVING IT UP TO THEM. WHILE MANY OF THEM WANTED TO COME BACK, THEY WERE INFLUENCED NEGATIVELY BY SUCH INCIDENTS AS THE BEATING OF AN AMERICAN BANK VICE PRESIDENT BY A SYRIAN SOLDIER SEVERAL WEEKS AGO. THE MAN IN QUESTION HAD LOST 30 PERCENT OF HIS HEARING IN ONE EAR. THEY WERE ALSO DISCOURAGED BY THE ABSOLUTE LACK OF RECONSTRUCTION ACTIVITY IN DOWNTOWN BEIRUT AND THE EMPTY HULKS OF THE MAJOR HOTELS WERE VERY DEPRESSING. ONE STEP WHICH WOULD IMPROVE THE ATMOSPHERE WOULD BE FOR THE LEBANESE ARMY TO TAKE OVER THE CHECK POINTS IN BEIRUT.

4. THE PRESIDENT DID NOT PICK UP THE LAST POINT BUT SAID THAT PLANS FOR THE RECONSTRUCTION OF DOWNTOWN BEIRUT WERE NOW COMPLETED AND WERE TO BE SHOWN TO THE SAUDIS THIS WEEK. HE THOUGHT THESE PLANS WERE PRACTICABLE AND WORKABLE. THE SAUDIS HAD PROMISED TO FINANCE THE INFRASTRUCTURE. IF THEY, OR THE KUWAITIS, DID NOT DO SO, HE HAD RESOLVED TO GO AHEAD ANYWAY. THIS WAS SOMETHING LEBANON MUST START ON. I SAID IT WOULD GIVE A BIG BOOST TO NATIONAL RECONCILIATION AND THE RETURN OF BUSINESSMEN IF THEY DID.

5. THE PRESIDENT THEN ASKED WHEN WE WERE GOING TO RESUME WORK ON THE NEW CHANCERY BUILDING AT RAMLET AL-BEIDA. AS HE HAD MENTIONED TO THE SECRETARY, THE CONTINUED LACK OF MOVEMENT THERE WAS DEPRESSING TO EVERYONE, AS WAS THE CONTINUED DELAY IN RESUMPTION OF PAN AMERICAN SERVICE TO BEIRUT. HE UNDERSTOOD THAT PAN AMERICAN WAS RETURNING TO BEIRUT IN APRIL. WHAT COULD I TELL HIM ABOUT THE CONFIDENTIAL

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CHANCERY?

6. I SAID WE HAD TAKEN A DECISION IN PRINCIPLE TO RESUME WORK ON THE BUILDING BUT IT HAD BEEN HELD UP BY VARIOUS TECHNICAL CONSIDERATIONS, THE MOST IMPORTANT OF WHICH WAS TO GET MONEY ALLOCATED FOR IT. WE HAD ALSO BEEN REWORKING THE PLANS TO MODIFY THE BUILDING IN THE LIGHT OF OUR EXPERIENCES DURING THE LEBANESE WAR. I HOPED THAT WORK WOULD RESUME NEXT FALL, BUT COULD NOT MAKE ANY PROMISES. THE POINT WAS, HOWEVER, THAT WE DID INTEND TO RESUME.

7. SARKIS ASKED IF WE COULD PERHAPS ANNOUNCE THIS FACT IN ORDER TO CALM LOCAL APPREHENSIONS. I SAID I WOULD HAVE TO CONSULT THE DEPARTMENT.

8. I THEN SAID THERE WAS A PROBLEM LEBANESE WOULD HAVE TO FACE UP TO SOONER OR LATER AND WHICH AFFECTED THE ATTITUDE OF THE USG, PAN AMERICAN, AND AMERICAN BUSINESSMEN IN GENERAL, AND THAT WAS THE ABSOLUTELY UNRESTRICTED FLOW OF TERRORISTS IN AND OUT OF BEIRUT. I DID NOT HAVE ANY SUGGESTIONS, AND REALIZED HOW DIFFICULT IT WAS FOR THE LEBANESE AUTHORITIES TO CONTROL THEM, PARTICULARLY GIVEN THE READINESS WITH WHICH OTHER ARAB GOVERNMENTS GAVE THEM PASSPORTS, BUT THE PRESENCE OF THESE PEOPLE IN BEIRUT WAS NEVER FAR

FROM OUR MINDS AND IT WAS VERY INHIBITING. SARKIS SAID HE AGREED, BUT EVEN THE TUNISIANS WERE GIVING DIPLOMATIC PASSPORTS TO TERRO-RISTS. HE WOULD APPRECIATE ANY SUGGESTIONS WE MIGHT HAVE FOR DEALING WITH THE PROBLEM AND COULD PROMISE ME THAT IF I HAD ANY-THING EFFECTIVE AND PRACTICAL TO SUGGEST, LEBANESE WOULD TRY IT.

9. COMMENT: AT LEAST THERE IS CONSISTENCY IN SARKIS' REMARKS ON SUBJECT. HE SETS GREAT STORE IN PSYCHOLOGICAL CLIMATE CREATED BY AMERICAN ACTIONS, OR LACK OF THEM. THIS IS SIXTH OR SEVENTH TIME HE HAS SPOKEN TO ME ABOUT CHANCERY BUILDING AND PAN AMERICAN. HE UNDOUBTEDLY REALIZES THAT SECURITY IS NOT BACK TO NORMAL, BUT SEEMS TO BELIEVE AMERICAN OFFICIALS AND BUSINESSMEN ARE PREPARED TO IGNORE THAT FACT, EVEN THOUGH BOTH HE AND HIS FOREIGN MINISTER HAVE TOLD ME TO LIE LOW ON AT LEAST TWO OCCASIONS IN PAST TWO CONFIDENTIAL

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MONTHS.

10. ACTION REQUESTED: DOES DEPARTMENT HAVE ANY OBJECTION TO OUR PLACING STORY IN LOCAL PRESS TO EFFECT WE ARE MOVING AHEAD WITH PLANS TO RESUME BUILDING THE CHANCERY AND HOPE TO START WORK THERE BEFORE THE END OF THE YEAR? NORMALLY I WOULD NOT ASK, BUT AM UNCERTAIN JUST WHAT OUR PLANS ARE. ALL MY INFORMATION COMES BY INFORMAL CHANNELS.
PARKER

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